

DOUGLAS G. MARTIN  
CERTIFIED SPECIALIST REAL ESTATE LAW  
ARIZONA BOARD OF LEGAL  
SPECIALIZATION  
DMARTIN@MARTIN-BELL.COM

LEONARD BELL  
ATTORNEY  
LBELL@MARTIN-BELL.COM

ADAM BREEZE  
ATTORNEY  
ABREEZE@MARTIN-BELL.COM

TELEPHONE  
(602) 230-0030  
TELECOPIER  
(602) 604-0004

**ORIGINAL**

LAW OFFICES

**MARTIN & BELL, L.L.C.**  
365 EAST CORONADO ROAD  
SUITE 200  
PHOENIX, ARIZONA 85004

www.martin-bell.com



Lillian C. Kirby  
LKIRBY@MARTIN-BELL.COM

Megan R. Bray  
MBRAY@MARTIN-BELL.COM

Norman B. Martin, m.p.a.  
NBMBMW@AOL.COM

December 12, 2008

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007-2927

Re: Exceptions to the recommendation of Administrative Law Judge Marc E. Stern dated December 2, 2008 – Wilhoit Water Company, Blue Hills No. 3 (Docket Nos. W-02065A-07-0313, W-02065A-08-0139)

Please accept the attached as a supplement to Wilhoit Water Company's response to the Recommended Order of Administrative Law Judge Marc E. Stern dated December 2, 2008.

Cordially,

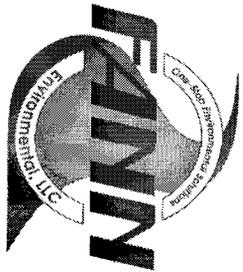
Jim West  
For Wilhoit Water Company  
(Pursuant to Power of Attorney)

Arizona Corporation Commission  
**DOCKETED**

**DEC 12 2008**

DOCKETED BY

RECEIVED  
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## Opinion of Probable Cost of Construction

Whilhoit Water Company  
 Yavapai Estates  
 Chino Valley, Arizona

### Arsenic Treatment Facility-Yavapai Estates

Removal of Existing System	1	LS	\$5,000	\$	5,000
Expansion/Alteration of Existing Building	1	LS	\$15,000	\$	15,000
Arsenic Treatment	1	LS	\$125,000	\$	125,000
Installation of New System/Materials/Chemicals/Electrical	1	LS	\$75,000	\$	75,000
		<b>Subtotal</b>	<b>\$</b>	<b>\$</b>	<b>220,000</b>
		Contingency 10%	\$	\$	22,000
		<b>Construction Cost Subtotal</b>	<b>\$</b>	<b>\$</b>	<b>242,000</b>
		Engineering, Permitting, As-Builts 10%	\$	\$	24,200
		<b>Total Probable Cost</b>	<b>\$</b>	<b>\$</b>	<b>266,200</b>

		Engineering, Permitting, As-Builts 10%	\$	\$	24,200
		<b>Total Probable Cost</b>	<b>\$</b>	<b>\$</b>	<b>266,200</b>

### Arsenic Treatment Facility-Dewey/Blue Hills

Removal and disposal of spent media from existing system	1	LS	\$3,000	\$	3,000
Installation of Modified GE System/Materials/Electrical	1	LS	\$35,000	\$	35,000
New Media, Support Gravel, GFH or Sorb 33	1	LS	\$20,300	\$	20,300
		<b>Subtotal</b>	<b>\$</b>	<b>\$</b>	<b>58,300</b>
		Contingency 10%	\$	\$	5,830
		<b>Construction Cost Subtotal</b>	<b>\$</b>	<b>\$</b>	<b>64,130</b>
		Engineering, Permitting, As-Builts 10%	\$	\$	6,413
		<b>Total Probable Cost</b>	<b>\$</b>	<b>\$</b>	<b>70,543</b>

\* Estimates do not include Payment/Performance Bonds or any Applicable Taxes.

WIFA eApplications System - Complete all fields that apply, when finished click on the Update Application button located at the bottom-left of this page.

### DRINKING WATER APPLICATION

#### Water Infrastructure Finance Authority of Arizona (WIFA)

#### Project Financial Assistance Priority List Application

View Status Information | Print Application | Environmental Review Checklist

#### SECTION 1: APPLICATION INFORMATION

APPLICATION NUMBER: DW-005-2009

- 1.1 Applicant: Wilhoit Water Company - Blue Hills #3 Job Title: Consultant
- 1.2 Contact Names: First: Jim Middle Initial: Last: West
- 1.3 Address: 365 E. Coronado #200 City: Phoenix State: AZ Zip: 85004
- 1.4 Phone: (602) 230-0030 Fax: (602) 604-0004 E-Mail: jimwest@365coronado.com
- 1.5 County in Which Project is Located: Yavapai
- 1.6 Number of Connections to System: 55 Population Served by the System: 200
- 1.7 Average Monthly Fee (Base + Use): \$ 26.17
- 1.8 Existing Debt (principal only) Payable by System Users: \$ 0.00
- 1.9 Median Household Income: \$ 23,500
- 1.10 ADEQ System Identification Number (PWS #): AZ0413055
- 1.11 Has this project received prior year WIFA funding?
- No
- Yes, request is for a multi-year construction project that received assistance in a previous funding cycle
- Yes, request is to construct a project that received TA funds in a previous funding cycle
- Yes, request is for additional financial assistance to offset actual costs of justified overruns
- 1.12 Is your company registered with the E-Verify Program?  Yes  No  
(You will be required to provide proof of participation prior to the execution of a loan or grant agreement.)

#### SECTION 2: PROPOSED DRINKING WATER FINANCIAL ASSISTANCE PROJECT

- 2.1 Project Title/Name: arsenic remediation system
- 2.2 Type of loan required during this funding cycle? False this is a test  Design \$ 0.00 and/or  Construction \$ 70,000.00
- 2.3 Briefly summarize below the problem or the description (Mail any supporting documentation)
- Blue Hills #3 has two wells with elevated levels of arsenic (18ppb) in excess of federal standards (10ppb)
- 2.4 Briefly summarize below the solution
- A treatment system that will lower the arsenic levels to acceptable standards. Arizona Corporation Commission staff has recommended a surcharge mechanism, as part of the Company's current rate case, to repay the loan.
- 2.5 Select Type(s) of Needs to be Funded
- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Planning and Design Only      | <input type="checkbox"/> Treatment-Bacteriological              | <input type="checkbox"/> Treatment-Surface Water |
| <input type="checkbox"/> Treatment-Nitrate             | <input checked="" type="checkbox"/> Treatment-Arsenic           | <input type="checkbox"/> Treatment-Radionuclides |
| <input type="checkbox"/> Treatment-Organic Chemical(s) | <input type="checkbox"/> Treatment-Primary Standard [Metals(s)] | <input type="checkbox"/> Treatment-DBP           |
| <input type="checkbox"/> Treatment-Other               | <input type="checkbox"/> Transmission and Distribution          | <input type="checkbox"/> Source                  |
| <input type="checkbox"/> Storage                       | <input type="checkbox"/> Purchase of System(s)                  | <input type="checkbox"/> Restructuring           |
| <input type="checkbox"/> Land Acquisition              |   |  |
- 2.6 Select Expected Project Benefit(s)
- Compliance - Existing Requirements  Compliance - New Requirements  Expand Service
- Reduce Public Health Risks
- 2.7 Water System Improvement
- Proposed project addresses deficiencies identified by ADEQ  Submitted a complete capacity development plan to ADEQ

Proposed project includes installing meter to monitor water use  
2.8 Consolidation and Regionalization

Consolidate physical facilities of existing multiple facilities

Extending service to existing areas currently served by another facility

Consolidate the operations of existing multiple facilities

Consolidate the ownership of existing multiple facilities

2.9 System Compliance (mail any supporting documents)

- Notice of violations and/or consent orders from regulatory agency  
 In compliance

**SECTION 3: AMOUNT OF PROJECT FINANCIAL ASSISTANCE**

3.1 Estimated Date WIFA Funding Required: 3/1/2009

3.2 Estimated Financial Assistance Costs & Funding Source

Funding Source	Project Costs
Amount Funded Locally:	\$ 0.00
Amount Requested from WIFA:	\$ 70000
Other Source:	\$ 0.00

**SECTION 4: READINESS TO PROCEED INDICATORS**

4.1 Debt Authorization (For more information, see WIFA Debt Authorization Guidance Document)

- Authorized - mail copy of official governing body debt authorization resolution or election results.  
 Scheduled - Anticipated election or authorization date: 12/17/2008

4.2 Project Plans and Specifications (Select only one)

- Approved - mail approval notification  
 Scheduled for Approval  
 Engineer Selected

Enter anticipated approval date: 1/15/2009

4.3 Applicable Local, State, and Federal Project Permits: (Select only one)

- Obtained - mail approval notification  
 Scheduled to Obtain Permit(s) - anticipated permit(s) date: \_\_\_\_\_  
 Date of Approval Unknown  
 Not Applicable - explain \_\_\_\_\_

4.4 Project Bids: (Select only one)

- Obtained - mail approval notification(s)  
 Scheduled to Obtain Permit(s) - anticipated permit(s) date: \_\_\_\_\_  
 Date of Approval Unknown

**SECTION 5: CERTIFICATION & APPROVAL**

As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.

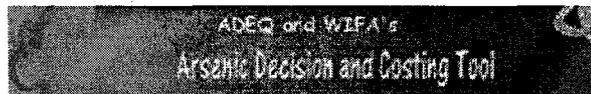
Authorized Representative Name: First Jim Last West Title:

Consultant

Update Application



Arizona@ Your Service  
The State of Arizona's  
official web site.



Arsenic Master Plan - Decision & Costing Tool



Arizona Governor Janet  
Napolitano  
www.governor.state.az.us